

Assessment

Module 9: Tax Credit for Child and Dependent Care Expenses

Part 1

Indicate whether each of the following people counts as a qualifying person for the tax credit for child and dependent care expenses. Click on either *Yes* or *No*. To assess your answers, click the *Check My Answers* button at the bottom of the page.

1) Regina is unable to care for herself. Her parents cannot claim her as a dependent only because Regina earned more than the exemption amount. Does Regina count as a qualifying person?

- ☐ A. Yes
☐ B. No

2) Douglas is 13 years old, and his parents claim him as a dependent on their tax return. Does Douglas count as a qualifying person?

- ☐ A. Yes
☐ B. No

3) Lynn and Clayton are married; Clayton has Alzheimer's disease and cannot care for himself. Does Clayton count as a qualifying person?

- ☐ A. Yes
☐ B. No

Part 2

Do the following expenses qualify for the tax credit for child and dependent care expenses? Click on either *Yes* or *No*. To assess your answers, click the *Check My Answers* button at the bottom of the page.

1) The cost of a housekeeper who maintains the home of a qualifying person

- ☐ A. Yes
☐ B. No

2) Day care for a young child

- ☐ A. Yes
☐ B. No

3) Two-week day camp

- ☐ A. Yes
☐ B. No

4) Daytime care for a disabled adult

- ☐ A. Yes
☐ B. No

Part 3

Answer the following questions by clicking on the correct answers or typing the correct answers

in the fields. To assess your answers, click the *Check My Answers* button at the bottom of the page.

1) A tax deduction reduces the income subject to tax.

- ☐ A. True
☐ B. False

2) For the tax credit for child and dependent care expenses, what are the maximum qualifying expenses in 2007 for a taxpayer with four qualifying dependents?

Type Answer Here

3) Can an unemployed taxpayer who is actively seeking work claim the tax credit for child and dependent care expenses?

- ☐ A. Yes
☐ B. No

4) Are there circumstances when a taxpayer with an unemployed spouse can claim the tax credit for child and dependent care expenses?

- ☐ A. Yes
☐ B. No

5) What is the lowest percentage used to compute the tax credit for child and dependent care expenses?

Type Answer Here

Check My Answers